



# Shelby County Tennessee

Mark H. Luttrell, Jr., Mayor

## Questions & Answers

*Issued: May 7, 2013*

### **RFP #13-003-60**

### **Investment Consulting and Advisory Services (Shelby County Retirement System)**

#### **TO ALL PROSPECTIVE BIDDERS:**

The following questions were submitted by potential vendors. Our answers are listed in *red* below:

1. When was the last RFP for an investment consultant?  
*The last RFP was issued in 2007.*
2. IX. PURPOSE/SCOPE OF WORK: Services Required - #9  
Advising on additional asset classes  
Does Shelby Country use specialty consultants to source and recommend private equity, real assets, and real estate funds? If so can you provide any information on who these firms are and any information on their recent activity?  
*No, we do not use specialty consultants.*
3. IX. PURPOSE/SCOPE OF WORK: Services Required - #20  
“Attend all Investment Committee Meetings (it is expected that the lead consultant(s) attend each meeting) and occasionally attend SCRS Board meetings or other meetings, as requested. (Approximately 8 investment committee and 6 board meetings per year)”

Can you be more specific about the schedule and location of Investment Committee and Board Meetings? Is there a 2013 meeting schedule we could review?

*The Board meetings are normally scheduled for 10 a.m. on 1<sup>st</sup> Tuesday of every month and if an investment committee is needed we try to schedule it at 8 a.m. prior to the Board meeting. The consultant is not needed for all Board meetings, but as stated in the RFP this usually works out to about 8 committee and 6 board meetings per year, for*

travel purposes you may want to plan on approximately 8 trips. All meetings are held in our office in Memphis, TN.

4. Can you supply any information about the incumbent provider for investment consulting and advisory services? Is current fee information available? Are they being considered to continue the assignment?

Consulting Services Group, LLC is the current consultant and is being considered for the assignment. A copy of the current contract is attached as a separate document.

5. Section X. Contract Requirements - Section B.2. Insurance requirements #5  
There is a Fiduciary Liability requirement but since we do not manage or custody the assets it's not applicable to our firm. All of our investment advisory/consulting activities are covered by the professional liability policy. Will that suffice?

No. The Consultant must have the fiduciary coverage as required in the RFP.

6. Section X. Contract Requirements - Section B.2. Insurance requirements #7  
Is the Cyber Liability \$500,000 policy mandatory? What specific risks is the county trying to insure against?

Yes, the Cyber Liability coverage as required in the RFP is mandatory.

7. Section X. Contract Requirements - Section B.2. Insurance requirements  
The RFP states that *"all policies will provide sixty days written notice to the consultant and Shelby County of cancellation of coverage provided."* Our policies have 30-day notice periods. Will that suffice?

The County prefers 60 days notice; 30 is acceptable; this may be different depending on location (state) of the insured. With the new notice rules (policy terms and conditions may not provide the certificate holder be advised by carrier of cancellation or non-renewal) it is imperative that the consultant advise us of cancellation/non-renewal and replacement coverage to be in compliance.

8. Section IX: Purpose/Scope of Work.  
Do the six (6) annual Board Meetings coincide on the same dates as the eight (8) annual Investment Committee meetings, or will they be held on separate dates? In other words, will the consultant hired be required to attend meetings on a total of eight (8) travel dates or fourteen (14) throughout the year?

Committee meetings and Board meetings are generally on the day. Plan on 8 travel days.

9. What is the current total fee structure paid by the plan for incumbent consulting services, underlying investment managers, commissions and custody services? How much is the County budgeting for these total services in 2014, and what is the maximum amount budgeted?

A copy of the current contract is attached as a separate document. Shelby County does not provide budget information. Please submit your best proposal based on the RFP requirements.

10. Does the County plan to continue to use an 8% return assumption going forward, or is this under consideration to be lowered?  
**Lowering the investment assumption is under consideration.**
11. Can you provide the current asset allocation for Shelby County with manager level detail?  
**See attached.**
12. Regarding the insurance requirements listed in section X, part B:
- a. How does Fiduciary Liability insurance apply given this insurance is purchased to cover plan sponsors and its employees and is therefore not applicable to our role as external investment consultants? Our company's liability is covered by Error & Omissions/Professional Liability policies.  
**The contract requires the consultant to agree to act as a fiduciary to the fund as defined in section 3(21) of ERISA. The insurance is coverage for a breach of that fiduciary responsibility.**
  - b. Our Cyber Liability insurance is covered under our standard EO/PL policy but is not separately listed. Is this acceptable?  
**This is acceptable, be sure to provide copy of form/endorsement indicating it is included.**
13. What are the current fees being paid to the consultant?  
**See response to questions #9.**
14. The RFP states that the assignment is for a multi-year contract. How many years should the fee proposal cover?  
**See response to questions #9.**